

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) for Authority to Institute a Rate Stabilization Plan with a Rate Increase and End of Rate Freeze Tariffs.	Application 00-11-038 (Filed November 16, 2000)
Emergency Application of Pacific Gas and Electric Company to Adopt a Rate Stabilization Plan. (U 39 E)	Application 00-11-056 (Filed November 22, 2000)
Petition of THE UTILITY REFORM NETWORK for Modification of Resolution E-3527.	Application 00-10-028 (Filed October 17, 2000)

**ADMINISTRATIVE LAW JUDGE'S RULING
GRANTING MOTION TO BIFURCATE**

On September 30, 2003, San Diego Gas & Electric Company (SDG&E) filed a Motion to Bifurcate this phase of this proceeding. SDG&E argued that the 2004 revenue requirement for the California Department of Water Resources (DWR) should initially be allocated using the allocation methodology used for 2003, as established in Decision (D.) 02-12-045, with the question of a final allocation methodology for 2004 to be litigated in a second phase, on a less expedited schedule. SDG&E proposed that the initial allocation would be interim, and would apply until the Commission adopted a final allocation for 2004.

Parties were provided an opportunity to respond to SDG&E's Motion at the Prehearing Conference (PHC) held on October 2, 2003. The active parties

either supported or did not oppose SDG&E's Motion. While there was initial disagreement as to whether the final allocation for 2004 should be applied retroactively to January 1, 2004, or only prospectively from the date of its adoption, that disagreement was resolved in favor of a retroactive application. Accordingly, the stipulation of the parties in favor of bifurcation, with retroactive application of the final allocation methodology, is adopted.¹

SDG&E proposed a schedule for the final allocation phase. That schedule is adopted with minor modifications, subject to later adjustment if necessary:

November 20, 2003	PHC
December 17, 2003	Opening Testimony
January 7, 2004	Reply Testimony
January 20, 2004	Evidentiary Hearings begin
February 10, 2004	Opening Briefs
February 18, 2004	Reply Briefs

Based on discussions at the PHC regarding the possible true-up of the 2003 revenue requirement allocation, the initial phase of this proceeding will only take preliminary comments on the true-up of the 2003 revenue requirement. Parties may address in their briefs, in a separate section, whether there should be a true-up of the 2003 revenue requirement, and, if so, what methodology should be utilized for that true-up. Whether or not there should be a true-up of the 2003 revenue requirement will be addressed later in this proceeding.

IT IS RULED:

¹ The 2001-2002 true-up remains on the same schedule as the interim 2004 revenue requirement allocation.

1. This proceeding is bifurcated, with the first phase to adopt an interim allocation for California Department of Water Resources' (DWR) 2004 revenue requirement using the methodology adopted for 2003 in Decision 02-12-45.
2. The implementation of a true-up of the allocation of DWR's 2001-2002 revenue requirement will also be addressed in the first phase.
3. Parties may include in their first phase briefs comments regarding any true-up of the allocation of DWR's 2003 revenue requirement.
4. The second phase will address the adoption of a final and permanent allocation methodology for 2004, to be applied retroactively to January 1, 2004.
5. The preliminary schedule for the second phase is set forth above.
6. All service of documents in this phase of this proceeding is electronic, as previously ruled.

Dated October 17, 2003, at San Francisco, California.

/s/ PETER V. ALLEN

Peter V. Allen
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Granting Motion to Bifurcate on all parties of record in this proceeding or their attorneys of record.

Dated October 17, 2003, at San Francisco, California.

/s/ HELEN FRIEDMAN
Helen Friedman

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event. P